

- b. To avoid problems arising from overtime, holiday pay, night differential, or related payroll regulations, such employment arrangements should normally be made by the recipient or subrecipient directly with the individual, unless there has been a transfer or loan of the employee for which his regular and overtime services provided are to be charged to or reimbursed by the recipient or subrecipient. Overtime and night differential payments are allowed only to the extent the payment for such services is in accordance with the policies of the State or unit(s) of local government and has the approval of the State or the awarding agency, whichever is applicable.

**Note:** The overtime premium should be prorated among the jobs and not charged exclusively to the awarding agency funds.

- c. Payment of these premiums will be for work performed by award or subaward employees in excess of the established work week (usually 40 hours). Executives, such as the President or Executive Director of an organization, may not be reimbursed for overtime or compensatory time under grants and cooperative agreements. Payment of continued overtime is subject to periodic review by the awarding agency.

3. **Award Purposes and Dual Compensation.** Charges of the time of State and local government employees assigned to assistance programs may be reimbursed to the extent they are directly and exclusively related to the award or proper for inclusion in the indirect cost base.

**Note:** In no case is dual compensation allowable. That is, an employee of a unit of government may not receive compensation from their unit or agency of government AND from an award for a single period of time (e.g., 1 p.m. to 5 p.m.), even though such work may benefit both activities.

**Conferences and Workshops.** Allowable costs may include:

- ! Conference or meeting arrangements;
- ! Publicity;
- ! Registration;
- ! Salaries of personnel;
- ! Rental of staff offices ;
- ! Conference space;
- ! Recording or translation services;
- ! Postage;
- ! Telephone charges;
- ! Travel expenses (including transportation and subsistence for speakers or participants); and

- ! Lodging (Effective January 1, 2001, all OJP funded contracts for events that include lodging for 30 or more participants must not exceed the Federal per diem rate for lodging. In the event the lodging rate is not the Federal per diem rate or less, none of the lodging costs associated with the event would be allowable costs to the award. As a result, the recipient would be required to pay for all lodging costs for the event, not just the amount in excess of the Federal per diem. For example, if the Federal per diem for lodging is \$78 per night, and the event lodging rate is \$100 per night, the recipient must pay the full \$100 per night with non-grant funds, not just the difference of \$22 per night.)

**Food and Beverages.** Food and/or beverage expenses provided by recipients are allowable subject to conditions stated below:

- ! Food and/or beverages were provided to participants at training sessions, meetings, or conferences that are allowable activities under the particular OJP program guidelines.
- ! Expenses incurred for food and/or beverages and provided at training sessions, meetings, or conferences must satisfy the following three tests:
  - S The cost of the food and/or beverages provided are considered to be reasonable.
  - S The food and/or beverages provided are subject of a work-related event.
  - S The food and/or beverages provided are not directly related to amusement and/or social events.
- ! Recipient is following the applicable definitions for food and beverages contained in the Financial Guide glossary.

Each recipient that desires to purchase food and/or beverages under a grant or contract under a grant should follow the food and beverage policy guidelines. Guidance should be applied within the context of each individual situation. While food and/or beverages are allowable, recipients are not required to provide them at training sessions, meetings, or conferences.

**NOTE:** The presence of Federal employees does not prevent the recipient from providing food and beverages under its three-part test.

To determine whether costs associated with food and/or beverages are allowable, the recipient or sub-recipient providing the food and/or beverages must consider:

1. to whom the food and/or beverages will be provided;

2. under what conditions the food and/or beverages will be provided; and
3. that the appropriate test(s) has been satisfied. For example:
  - a. A recipient sponsored event is held at the L'Enfant Plaza Hotel to discuss policy topics. The event includes a working lunch with a speaker and breaks at which food and beverages are offered. Federal agency employees, as well as employees of the recipient and non-agency persons are invited.

This scenario meets all components of the test; therefore, food and beverages **may** be provided with grant funds.

- b. A recipient offers a "hospitality suite" the night before its conference at the L'Enfant Plaza Hotel. Federal agency employees, as well as employees of the recipient and non-agency persons are invited.

This scenario fails the test because food and beverages must not be directly related to amusement or social events. Although the conference is work-related, the hospitality suite is purely a "social event." Therefore, food and beverages **may not** be provided with grant funds.

**NOTE:** Food and beverage costs for events within events may be unallowable. For example: **“Unallowable”** - Event A includes 200 participants and food and beverages are requested for event B, which directly relates to event A, but includes only a small percentage of the 200 participants from Event A. Thus, food and beverage costs at event B are unallowable since a attendance at the event is not mandatory for all participants from Events A and B. **“Allowable”** - If the purpose of event B is to discuss or work on topics unrelated to event A, food and beverage costs may be allowable for event B.

Federal funds are governed by the "cost principles" of the Office of Management and Budget (OMB). Cost principles are the Federal rules that determine the extent of reimbursement of grant expenses. Generally, allowable costs include costs that are reasonable and necessary for the successful completion of the project. **Unallowable costs include, but are not limited to costs directly related to entertainment or to the purchase of alcohol.** The cost principles are outlined in Chapter 2 of this Guide.

**NOTE:** Anyone under per diem allowances or reimbursements who is attending any of these events at which food and beverages are provided must deduct the cost of any meals (i.e. lunch, dinner) provided from his/her per diem allowances.

The top ten tips for provisions of food and beverages under OJP grants are as follows:

1. Provide a speaker at a lunch or dinner

2. Support the event with a formal agenda
3. Event must be mandatory for all participants
4. Do not pay for bar charges using registration fees, i.e. program income
5. Do not make alcohol available at the event
6. Provide appropriate break foods
7. Surrounding events must provide several hours of substantive information
8. Do not end events with a meal and/or break
9. Costs must be reasonable
10. As a participant, reduce per diem appropriately

**NOTE:** Exhibits are not deemed substantive information.

**Travel.** Travel costs are allowable as expenses by employees who are in travel status on official business. These costs must be in accordance with Federal or an organizationally-approved travel policy.

1. **Domestic Travel.** Recipients may follow their own established travel rates, however, the Office of the Comptroller reserves the right to determine reasonableness of those rates. If a recipient does not have a written travel policy, the recipient must abide by the Federal travel policy. Subrecipients of States must follow their State's established travel policy. If a State does not have an established travel policy, the subrecipient must abide by the Federal travel rates. The current travel policy and per diem rate information is available at the GSA website. This website is: [www.gsa.gov](http://www.gsa.gov).
2. **Foreign Travel** includes any travel outside of Canada and the United States and its territories and possessions. However, for a recipient or subrecipient located outside Canada and the United States and its territories and possessions, foreign travel means travel outside that country. Prior approval is required for all foreign travel (see page 101).

**Space.** The cost of space in privately- or publicly-owned buildings used for the benefit of the program is allowable subject to the conditions stated below:

- ! The total cost of space may not exceed the rental cost of comparable space and facilities in a privately-owned building in the same locality.
- ! The cost of space procured for program usage may not be charged to the program for periods of non-occupancy, without authorization of the Federal awarding agency.

1. **Rental Cost.** The rental cost of space in a privately-owned building is allowable. Rent cannot be paid if the building is owned by the grantee or if the grantee has a substantial financial interest in the property. However, the cost of ownership is an allowable expense. Similar costs for a publicly-owned building are allowable where "rental rate" systems, or equivalent systems that adequately reflect actual costs, are employed.

Such charges must be determined on the basis of actual cost (including depreciation based on the useful life of the building, operation and maintenance, and other allowable costs). Where these costs are included in rental charges, they may not be charged elsewhere. No costs will be included for purchases or construction that were originally financed by the Federal government.

2. **Maintenance and Operation.** The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs and alterations, and the like are allowable to the extent they are not otherwise included in rental or other charges for space.
3. **Rearrangements and Alterations.** Costs incurred for rearrangement and alteration of facilities required specifically for the award program or those that materially increase the value or useful life of the facility are allowable when specifically approved by the awarding agency.
4. **Depreciation and Use Allowances on Publicly-Owned Buildings.** Depreciation or a use allowance on idle or excess facilities is NOT ALLOWABLE, except when specifically authorized by the Federal awarding agency.
5. **Occupancy of Space Under Rental-Purchase or a Lease with Option-to-Purchase Agreement.** The cost of space procured under such arrangements is allowable when specifically approved by the awarding agency.

This type of arrangement may require application of special matching share requirements under construction programs.

**Printing** shall be construed to include and apply to the process of composition, plate-making, presswork, binding, and microfilm; the equipment, as classified in the tables in Title II of the Government Printing and Binding Regulations, published by the Joint Committee on Printing, Congress of the United States, and as used in such processes; or the end items produced by such processes and equipment. Pursuant to the Government Printing and Binding Regulations, no project may be awarded primarily or substantially for the purpose of having material printed for the awarding agency. The Government Printing and Binding Regulations allow:

1. **Issuance.** The issuance of a project for the support of non-government publications, provided such projects were issued pursuant to an authorization of law and were not made primarily or substantially for the purpose of having material printed for the awarding agency.
2. **Publications by Recipients/Subrecipients.** The publication of findings by recipients/subrecipients within the terms of their project provided that such publication is not primarily or substantially for the purpose of having such findings printed for the awarding agency.

**Publication** shall be construed as the initiation of the procurement of writing, editing, preparation of related illustration material, including videos, from recipients/subrecipients, or the internal printing requirements of the recipient/subrecipient necessary for compliance with the terms of the project. However, individuals are authorized to make or have made by any means available to them, without regard to the copyright of the journal, and without royalty a single copy of any such article for their own use.

Project directors are encouraged to make the results and accomplishments of their activities available to the public. A recipient/subrecipient who publicizes project activities and results shall adhere to the following:

1. Responsibility for the direction of the project activity should not be ascribed to the awarding agency. The publication shall include the following statement: "The opinions, findings, and conclusions or recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice." The receipt of awarding agency funding does not constitute official recognition or endorsement of any project. A separate application for Official Recognition may be filed with the awarding agency.
2. All materials publicizing or resulting from award activities shall contain an acknowledgement of the awarding agency assistance. An acknowledgement of support shall be made through use of the following or comparable footnote: "This project was supported by Award No. \_\_\_\_\_ awarded by the                     (name of specific office/bureau)                    , Office of Justice Programs." If the awarding agency is not OJP, language should reflect the proper agency name. The Americans with Disabilities Act (ADA) technical assistance grant program and the Office of Special Counsel for Immigration Related Unfair Employment Practices (OSC) grant program are awarded through the Civil Rights Division, DOJ.
3. A recipient/subrecipient is expected to publish or otherwise make widely available to the public, as requested by the awarding agency, the results of work conducted or produced under an award.
4. All publication and distribution agreements with a publisher shall include provisions giving the Federal government a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal government purposes. (See Copyrights section of Chapter 6 of this Guide.) The agreements with a publisher should contain information on the awarding agency requirements.
5. Unless otherwise specified in the award, the recipient/subrecipient may copyright any books, publications, films, or other copyrightable material developed or purchased as a result of award activities. Copyrighted material shall be subject to the same provisions of the Federal government.
6. The recipient/subrecipient shall be permitted to display the official awarding agency LOGO in connection with the activities supported by the award. In this respect, the LOGO shall appear in a separate space, apart from any other symbol or credit. The

words "Funded/Funded in part by OJP" shall be printed as a legend, either below or beside the LOGO, each time it is displayed. Use of the LOGO must be approved by the awarding agency.

7. The recipient/subrecipient shall submit a publication and distribution plan to the awarding agency before materials developed under an award are commercially published or distributed. The plan shall include a description of the materials, the rationale for commercial publication and distribution, the criteria to be used in the selection of a publisher, and, to assure reasonable competition, the identification of firms that will be approached. Prior agency approval of this plan is required for publishing project activities and results when Federal funds are used to pay for the publication.

**Duplication.** A requirement for a recipient/subrecipient to duplicate less than 5,000 units of only one page, or less than 25,000 units in the aggregate of multiple pages, of its findings for the awarding agency will not be deemed to be printing primarily or substantially for the awarding agency (e.g., 5,000 copies of five pages, etc.). For the purpose of this paragraph, such pages may not exceed a maximum image size of 10 3/4" by 14 1/4".

**Production.** A requirement for a recipient/subrecipient to produce less than 250 duplicates from original microfilm will not be deemed to be printing primarily or substantially for the awarding agency. Microfilm is defined as one roll of microfilm 100 feet in length or one microfiche.

#### **Other Allowable Costs.**

1. **Software development** is an allowable cost and may be expensed in the period incurred with no dollar limitation.
2. **Depreciation** is an allowable cost and an accelerated method should not be used.
3. **Post-employment benefits** are allowable costs if funded in accordance with actuarial requirements. Funds must be paid within six months of recordation.
4. **Technology awards** are allowable costs and drawdown of funds may be prohibited until the State Information Technology Point of Contact person has received written notification of the project and a Grant Adjustment Notice (GAN) has been issued by the awarding agency.

## NOTES